WORLD AFFAIRS COUNCIL
Pittsburgh, PA
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Thank you very much Dan. As Professor Simon has said, there is so little that we do today that is not involved in world affairs in one way or another. As members of this Council and friends of it, I'm sure that you appreciate how important it is that we have good information upon which to conduct our foreign policy in the world. And, therefore, I know that you are interested in the state of our ability to gain information, the state of our intelligence activities in this country today.

If there is one word that characterizes that state more than any other, it is change. Intelligence activities of our country are undergoing a period of important fundamental change, a change which I believe is beneficial. This is not because we bureaucrats have thought up some new ideas. It is a necessary response to three trends in events going on around us. The first of those is a changed perception by the United States of its role in world affairs. The second is an increasing sophistication in the techniques for gathering information. And the third is a greater interest and concern by the American public in the intelligence activities of our nation. Let me describe these three trends and the impact that they have on the way we go about our intelligence activities.

First, I believe the United States is changing its perception about its role in the world. We are in a state of transition in public attitudes toward foreign affairs. We are moving from an activist,

interventionist outlook to one which recognizes more the restraints, the limits on our ability to influence events in other countries. This is by no means to say that we are going through a period of isolationism. In fact, quite the contrary I believe, we are gradually emerging as a nation from our post-Vietnam aversion to almost any form of intervention on the international scene and we are entering into a era when our view of the world is much more reasoned and balanced. Clearly, the United States must continue to play a major role on the world scene. Yet the circumstances today are such that we must guage much more carefully what that role can be and what it should be.

For instance, look at the difficulty that we have today in simply deciding who we are for and who we are against in any international issue. Traditionally, we often were in favor of the country that was being opposed by the Soviet Union. It isn't that simple today. Just look back to the last year or so. There have been at least two international conflicts in which two communist nations were fighting with each other with the Soviets backing one of them. But in neither case was the other country an ideal candidate for our support.

Moreover, it is not nearly so clear today that it is necessary for the United States to take sides in every international issue even if the Soviets are pressing for an advantage. The consequences of a nation succumbing to communist influence are not always as irreversible perhaps as we once thought they were. Look back to Indonesia, Egypt, Somalia, Sudan. All of them came under substantial communist influence, all of them have returned to independence. So today there is a legitimate question in our body politic as to whether it is always necessary to come to the rescue of countries being subjected to communist pressures.

Even when we do decide that some struggling nation deserves our support, there are problems today in providing that support which simply did not exist a few years ago. One of these stems from the revolution in international communications. Today, any international action on our part is almost instantly communicated around the globe, instantly subjected to analysis, criticism or approbation. And somehow that international public judgment--be it approbation or criticism--does influence events, does inhibit the actions of even major powers like the United States and the Soviet Union even though those countries doing the criticizing or the approbation are most often second or third level powers.

There are other difficulties that we face today that we did not 20 to 25 years ago if we attempt to sway other countries through diplomacy or international organizations. In the past, most of the free nations of the world took their cue from the United States in international events and international organizations. Today in a quorum like the United Nations, every small nation uses its one vote independently of what the major powers desire and, in fact, the major powers frequently find themselves together on the minority side of such votes.

If in frustration with diplomacy we decide to influence events abroad by military means, we must always remember the lessons of Vietnam. They tell me that when the pendulum of offense and defense in military weaponry tends toward the defense, as I believe it does today, even a minor military power can cause a major military power considerable difficulty.

Now what all this adds up to is not that we are impotent on the international scene but that our leverage of influence, while still very considerable, must be exercised much more subtlely today if it is to be effective. We must be more concerned with long term influences rather than just putting a finger in the dike. We must be able to anticipate rather than simply react to events. We must be able to interpret the underlying theme and the underlying forces which we can influence over time. For us in the intelligence world this means that we must vastly expand the scope of our endeavors.

Thirty years ago our primary concern was to keep track of Soviet military activity. And yet today, we all here recognize that the threat to our national well-being comes not alone from the Soviets, not alone from military events. Certainly, the Soviet Union and military matters are a very considerable part of our concern in intelligence. But beyond that today, we must be equally interested in politics and economics, in food resources and population growth, and energy reserves, international terrorism, in narcotics and so on just to describe some of the wide gamut with which we must grapple. There is hardly an academic discipline, there is hardly an area of the world in which we can afford not to be well informed if we are going to do the job we must do for our policy makers. Hence, because of this change of our role in the world, I believe this is a more demanding time perhaps than ever before for the intelligence activities of our country and it is one in which there is a vast expansion of the subject matter with which we must deal.

The second trend that is bringing change on us is a technological revolution in how we collect information. Now basically there are three ways to go about gaining knowledge of other countries. One is by photographs--from satellites and airplanes. Another is by intercepting signals that pass through the air--communications signals, military signals, and you do that from ground stations, from ships and airplanes. And the third is by human intelligence collection, or the traditional spy.

The first two--photographic and signals--are what we call technical intelligence and the third is human intelligence. Our national capabilities in the technical area today, thanks to the great sophistication of American industry, are simply burgeoning. Interestingly though, rather than denigrating the role and the importance of the human intelligence agent this has, in fact, accented it. For instance, the more information we receive from these technical systems, the more it often prompts questions rather than answers them. If you get a photograph, if you intercept a signal, generally speaking it tells you something about what happened sometime in the past. Then the policy maker comes to you and says, but why did that happen and what is going to happen next. And understanding the concerns, the forces that bring decisions, the intentions of other people and other nations, is absolutely the forte of the human intelligence agent.

Thus today, the challenge before us is not only to absorb and utilize these new vast quantities of technological information, but it is to pull together all of our efforts in all three of these fields--

photographic, signals, and human--so that we can orchestrate them to complement each other and let us learn what our policy makers need to learn at minimum cost and minimum risk. For instance, what questions a photograph cannot answer, you try to solve by intercepting a signal or dispatching a human agent. For instance, if you get a photograph today of a new factory in some country and you really want to know whether that is a nuclear weapons plant, you may then very deliberately target a human agent to find out about that particular installation.

Now this may sound very logical and very simple to you. But because our technical capabilities have been expanded so and because intelligence in our country is a large bureaucracy spread over a number of different government agencies and departments, each with its own concern and its own priorities, we can no longer do business in our traditional way. It has taken some fundamental restructuring to accommodate to these changes.

The Director of Central Intelligence has been authorized to coordinate all of our national intelligence agencies since 1947 when the initial law was passed. Unfortunately, however, until recently he has never really had the authority to do that. A year and a quarter ago, President Carter signed a new Executive Order which gives to the Director of Central Intelligence authority over the budgets of all of the national intelligence organizations and authority to direct the way in which they collect information. This strengthening of my authority is still new, is still evolving in the processees, but it is having a very substantial effect on our intelligence community as a whole.

Now the third trend driving change is the increased public attention to intelligence activities ever since the investigations of 1974 to 1976. Those investigations brought to American intelligence more public attention than has ever before been brought to bear on a major intelligence organization. The impact of this has been very substantial and, in fact, within the intelligence community it has had many traumatic effects.

The right kind of visibility can be beneficial both to us and to the American public. By the right kind of visibility what I mean is visibility that gives the public access to information about the general way in which we go about our business and why we are doing it, and which confirms that the controls which are established over intelligence are being exercised as they were intended. Now to achieve this kind of right visibility, we within the intelligence community today are trying to be more open. We are passing more of the information which we gain and produce to you the public through unclassified publication of our studies.

When you leave, on the table there will be copies of several recent publications on China, the steel industry in the '70s and '80s, international terrorism in 1978. We simply take information that we produce like this, ask ourselves if we remove from it that information which is essential to being kept secret, is there value in what can be published and if there is, and the American public can benefit from that, we publish it and make it available.

In addition, we are simply answering questions more. We are out in the public speaking more as I am with you today. We are participating

more in academic symposia and conferences. I know that your intelligence community is doing an honorable and a vital job for our country and is doing it well. I personally want you to know as much about it as possible.

Still, some of the visibility that we obtain is unwanted. Unwanted because it benefits neither Americans nor our friends and allies. Here, of course, I am talking primarily about the unauthorized disclosure of properly classified information. At the least, these disclosures have demoralized an intelligence service that has traditionally, and of necessity, operated largely in secrecy. Far more important is the destructive effect that such disclosures can have on our ability to do what we are mandated to do by the President and the Congress.

First, no foreign country or individual is going to entrust lives or sensitive information to us if they do not believe we can keep it secret. Secondly, it is impossible to carry out the quest for information in a society like that of the Soviet Union if what we do and how we do it is bound to become public information. In short, these revelations, these improper revelations damage our country's long term ability to know what is going on in the many closed societies around us. Because we are such an open society, we often overlook the disadvantage in which we can be placed if we are not well informed about what goes on in these many closed societies. For instance, actions like those of the Soviet Union in 1972 in dramatically entering the international wheat market cost you and me a lot in our pocketbooks. Other surreptitious moves can cost us in many other ways.

Let me say though that on balance I believe this increased visibility is a net plus. We do need the understanding and the support of the American public and we do need to avoid any possible abuses. And yet, at the same time, we must recognize that with this visibility there are minuses as well. There are inhibitions on the actions we can take and on the risks that we will take. The issue today before our country is how much assurance does the nation need against invasions of its privacy or against the possible taking of foreign policy actions that could be considered unethical. How do we balance these desires for privacy and propriety with the resulting reduction in our intelligence and covert action capabilities.

Congress is expected to give expression to this question of balance by enacting legislation called charters for the intelligence community. These charters would set forth our authorities to undertake specific intelligence activities, the boundaries within which we could do that, and the oversight mechanisms for checking on those activities. It is my sincere hope the Congress will pass these charters during this session of the Congress. Written with care and with sensitivity to the kinds of problems I have been discussing with you, the charters could help to resolve some of these fundamental difficulties. Overreaction, either by tying the intelligence community's hands or by giving it unrestricted freedom, would be a mistake. On the one hand, emasculating our necessary intelligence capabilities. On the other hand, inviting abuses.

After all these comments though, let me assure you that in my view the intelligence arm of our country is today strong and capable. It is undergoing substantial change and that is never an easy or a placid process in a large bureaucracy. Out of this present metamorphosis is emerging an intelligence community in which the legal rights of our citizens and the controls and the restrictions on intelligence activities are going to be balanced with the necessity of gaining that information which is essential to our foreign policy. This is not an easy transition. We are not there yet but we are, I believe, moving swiftly and surely in the right direction.

When we reach our goal, we will have constructed a new model of intelligence, a uniquely American model of intelligence tailored to the laws and the standards of our society. As we proceed towards this goal in this period of transition, which will probably last another two or three years until we achieve this new model, we are going to need your understanding and your support. And that is why I am grateful that you have let me be with you today. Thank you very much.

QUESTIONS & ANSWERS

Q: (Inaudible)

A: Why do the people of the Republic of China and the Soviet Union have rules against tourists taking pictures from the air in their countries? I think, although as you point out, there are lots of other ways to get pictures, the Soviet Union, in particular, is paranoid about people gaining information about their closed society and they go to very extreme examples here in trying to protect what they consider to be their national secrets. Clearly they overdo it from your point of view and mine. I am concerned sometimes that we underdo it.

Q: (Inaudible)

A: Do we have the capability to check on the size and the number of warheads on Soviet ballistic missiles under the prospective SALT II treaty? I have talked to you about greater openness and now I'm going to talk to you about greater tightness. This is one of the most difficult situations that we in the intelligence world face today. How we monitor the SALT II treaty when it comes up is a very technical and a very complex and a highly classified question. The problem being that if we disclose how we are going to check on the number of re-entry vehicles on a Soviet missile, then my estimate of whether we can do it or not will go to zero. I am over-stating it but you see my point. Any intelligence collection activity has some counter in some period of time and the sooner we tell everybody about those capabilities, the sooner they will be countered and whatever estimate I give you will be invalid. I can

only assure you as members of the public that I am dedicated to giving a totally objective view of how well we can check on each provision of the SALT treaty to the Senate of the United States so that they, on your behalf, can make the ultimate judgment as to whether that treaty is in the best interests of this country.

Q. (Inaudible)

A. Is there any way the intelligence community can help American business operating overseas understand political and economic climate. I think that is a very good point and one on which we have a number of actions underway. One, is to produce these unclassified publications that we hope will help you. The steel industry and terrorism were not military topics and we think they would be of concern to American business. And we have worked through the Dept. of Commerce's National Technical Information Service to make these more readily available to the business community. On top of that, while I can't promise something specific this moment, I am in negotiation with the Dept. of Commerce now with respect to trying to give briefings on political events in foreign countries to the American business community. I think you can see readily that we do have a problem.here that none of us in the government want to be in a position of giving advantage to one firm over another, so we are trying find a way where it will we advertise uniformly and any company that wants

can come. We are still working out the details of that, but I agree with you whole heartedly that within the bounds of our laws, within the bounds of our understanding of the proper relationship between business and the government, we should in the government do more to share what we have with the business community to help us with what I think is a growingly difficult international competition.

I'm not sure I kept my eye on the balcony and our high school students who were good enough to come today. Does anyone there have a question I didn't call on?

Q. (Inaudible)

A. How much of a gap do we have with the loss of our post in Iran? If I could disclose the most detailed classified information to you, that still would be a very fuzzy answer. There is no intelligence collection capability that I know of that doesn't have some secondary techniques, some fall back position and we have fall back positions for Iran, but none of them are foolproof. We will try a number of them and over time one or more in consonance will work adequately. But I really couldn't, going into all the details, give you a precise prediction at this time. I can only assure you that we are working hard on it.

Q. (Inaudible)

A. In my professional judgment would the verification be adequate under the terms of the treaty? The verification of the treaty involves a great deal more than intelligence judgments. You have to ask yourself what are the benefits to this country, because there are some risks in any treaty. You have to ask yourself if some of the provisions of the treaty are not 100 percent verifiable right away, is there adequate reason for that. For instance, did we want our own programs tied in knots -- things that we want to do but perhaps we didn't want put into the treaty in more explicit form. Those are judgments that transcend the intelligence officer. They are things for the Secretary of State and Secretary of Defense. So the judgment on adequacy and overall benefit to the country is not one that I make. It is one that has to be made by the President and by the Congress. My answers to them are how well we can monitor and check up on these individual provisions -- whether how well we can do it is adequate to the country's needs is a much broader judgment and if I get involved in that, and have expressed an opinion in effect, as to whether this is a good treaty or a bad treaty, then the Senate will not have as much confidence in the objectivity in my reporting on our ability to use the intelligence tools to check.

Q. (Inaudible)

A. Is that why the White House is having trouble with me? The White House is not having trouble with me, I'm getting along fine. The newspaper columnists will try and divide and conquer everybody. Very seriously, there has been a misunderstanding of what I have just tried tell you. People expect me to come out and say it's a good treaty or it's a terrible treaty. I really feel that it is my obligation to the country to take a

totally neutral stance on the quality and the acceptability of the treaty in order to give a totally objective view of our intelligence role in monitoring it.

Q. (Inaudible)

A. Would I like to comment on Iran? That has come up before! We have been pilloried a little more than deserved on the so-called intelligence failure in Iran but we didn't do as well as we would like and we would always like to do better. Let me just outline a couple of considerations in it. We were not unaware that there was a problem and we were keeping the policy makers posted on it. I take personal responsibility that as late as October of last year it was my conviction that although the Shah was in lots of trouble and had a number of different discontented groups within his country, that he had the police and military power to take care of that before it became an uncontrolable eruption. I did not predict that a 78-year-old expatriot cleric would be the coalescing force that would bring these varying groups of discontent together into an eruption which the Shah did not, and could not apparently, control. So, while we predicted there were serious problems, we did not predict what I believe was a truly national revolution, one of the few that we have ever seen. And we'd like to do better, but I ask you to keep in mind, as I was saying in my remarks, that the most important thing we do for the country is to look at the long term trends to make sure the decision makers know which way things are going and how their policies of today will affect our relations of tomorrow. It would have been nice last summer or October to have predicted the Shah would be gone by January, but I'm not sure what we would have been able to do about it. But if we are looking ahead now and predicting these underlying currents we're

doing much more for our decision makers than making specific predictions on political upheavals, elections, assassinations, coups, and so on. We try to do all of those but it's the toughest part of the job and our batting average will be less.

Q. (Inaudible)

ATINTL A. Is [redacted] in jeopardy? Our relations with Turkey have improved considerably in recent months and we are (tape turned over)..... .... They have internal disorder problems in which they have declared martial law in 13 of their provinces. They have an economic problem which has recently brought a large rescue effort of over a billion dollars in aid from the OECD countries. They are a wonderful democratic people and we all have to hope and pray that they can overcome these other problems that they have. I think they will but they need our understanding and support.

Q. (Inaudible)

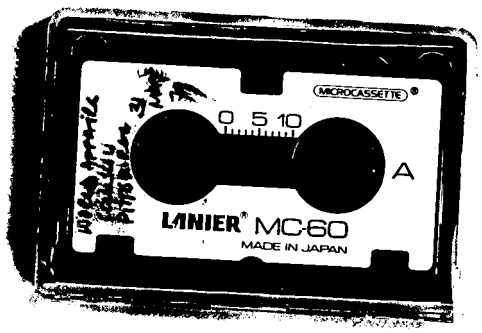
A. Did we assume the Shah would survive or did we make some contact with the opposition to check the other side. We did not, as is often reported, simply rely on SAVAK for our predictions or our knowledge about what was going on in Iran -- that would have been unconscionable. At the same time this was a difficult intelligence problem because, in effect, there was no organized opposition to penetrate or to find out how they were organized or what they were doing. These were an amorphous group of people politically disenchanted or people who were economically not sharing in the wealth of the country, people who for religious reasons felt that the way the country was going was contravening their principles and it wasn't like a cell of communists or something in the corner here that were actively plotting and

had a real program. So it was difficult in this amorphous situation to say that this group or that group was about to do this and so on. And as I say, they coalesced on one theme -- anti-Shah, and which you have seen in the last eight weeks or so has been a fracturing of that coalition now, because they don't have a program in common -- and didn't back in the pre-revolutionary stage.

Q. (Candidate)

A. Do I have the authority to raise with what's known as the Standing Consultative Commission in Geneva, possible Soviet violations of the SALT II agreement, or must that be taken up by the State Department? The natural answer to that is that it must be taken up by the Arms Control and Disarmament Agency in the State Department who determined this policy. The issue is, particularly with SALT II, where we're getting into controls on the quality and the characteristics of weapons as well as on their numbers, what is a violation and what is not is a judgmental factor. For instance, I may end up saying in response to your query, that Mr. President I believe there is a 75 percent chance that they have built a missile that has a seven percent increase in diameter when only five percent is allowed. Now the question is does the President feel that's adequate information, enough of a risk to the country and so on, to raise this issue. So I think it has to be made by the policy makers. But one of the reasons I feel they give the responsibility to lay out explicity what we can do today, is so that tomorrow when I do that and tell the policy makers this is what happened, they understand that is the best I was going to be able to do and they're prepared to make that decision -- is that the grounds for challenge. Let me say that in all the challenges that we made under SALT I, we got satisfaction

on all of them. The Standing Consultative Commission turned out to be a very fine and useful mechanism and we anticipate it should continue that way.



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